

## Message Text

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51

ACTION NEA-12

INFO OCT-01 ISO-00 L-03 OMB-01 CIAE-00 DODE-00 INR-10

NSAE-00 PA-04 RSC-01 USIA-15 PRS-01 SPC-03 TRSE-00

EB-11 DRC-01 /063 W

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R 021455Z JAN 74

FM AMEMBASSY ATHENS

TO SECSTATE WASHDC 2077

INFO AMCONSUL THESSALONIKI

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E.O. 11652: N/A

TAGS: EGEN EFIN GR

SUBJ: NEW PENAL SANCTIONS FOR TAX LAW VIOLATORS

1. LEGISLATIVE DECREE NO. 248, EFFECTIVE DEC 29, IMPOSES STRICT PENAL SANCTIONS ON TRANSGRESSORS TAX REGULATIONS. (MAIN PROVISIONS IDENTICAL TO DECREE NO. 185 OF 1967, WHICH WAS FORMULATED BY THEN FINANCE MINISTER ANDROUTSOPOULOS AND ABOLISHED BY HIS SUCCESSOR KOULIS. ANDROUTSOPOULOS INDICATED IN INAUGURAL MESSAGE HIS INTENTION REINSTITUTE LAW 185). PENALTIES INCLUDE UP TO 6 MONTHS IMPRISONMENT (WHICH CANNOT BE BOUGHT OFF) AND FINES RANGING FROM 30 THOUSAND TO 5 MILLION DRACHMA.

2. PUNISHABLE TRANSGRESSIONS INCLUDE FAILURE TO FILE OR SUBMISSION OF INACCURATE RETURN ON INCOME, TURN-OVER AND/OR INHERITANCE TAXES; EVASIONS IN THE EMPLOYEES TAX WITHHOLDING PROCESS BY EMPLOYERS; USE OF FALSE BALANCE SHEETS OR "SECOND SET" OF BOOKS BY BUSINESSES TO EVADE TAXES. CIVIL SERVANTS GUILTY OF ASSISTING TAX EVADERS SUBJECT TO IMPRISONMENT UP TO 10 YEARS.

3. COPY GAZETTED PROMULGATION WILL BE POUCHED WHEN AVAILABLE.

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4. COMMENT: INITIAL REACTION, PARTICULARLY AMONG GREEK

BUSINESSMEN, WHO HAVE TRADITIONALLY TAKEN A RELAXED VIEW  
TOWARDS PAYMENT TAXES, IS DISMAY. ANDROUTSOPOULOS' INTEREST  
IN SUCH MEASURES GOES BACK TO HIS STINT AS FINANCE MINISTER,  
AND NO DOUBT HE INTENDS ENFORCE THEM. DESPITE INDICATIONS  
THAT GENERAL ECONOMIC POLICY WOULD BE EXPOUNDED FIRST IN  
CANCELLED SPEECH BY MINISTER WITHOUT PORTFOLIO ELIAS  
BALOPOULOS AND THEN IN NEW YEARS'S ADDRESSES BY PRESIDENT  
AND PM, NO SUCH CLARIFICATION MADE. THUS TAX EVASION PENALTIES,  
RETURN TO OWNERS OF MEGARA LAND EXPROPRIATED FOR ANDREADIS  
REFINERY, AND ANNOUNCEMENT OF DEFLATIONARY BUDGET FOR 1974  
ARE ONLY MAJOR ECONOMIC STEPS TAKEN TO DATE BY CURRENT GOG.  
TASCA

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LAW, CRIMES, TAXES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 02 JAN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974ATHENS00022  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** ATHENS  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Line Count:** 73  
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**Office:** ACTION NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 13 MAY 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <13 MAY 2002 by elyme>; APPROVED <23 MAY 2002 by morefirh>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** NEW PENAL SANCTIONS FOR TAX LAW VIOLATORS  
**TAGS:** EGEN, EFIN, GR  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005